GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:3739
ANSWERED ON:23.12.2004
COST ESCLATION IN RAILWAY PROJECTS
Adityanath Yogi Shri ;Mahajan Shri Y.G.;Meghwal Shri Kailash;Singh Shri Uday

Will the Minister of RAILWAYS be pleased to state:

(a) whether several projects executed by the Ministry of Railways are running behind their schedule due to which the cost of these projects has increased;

(b) if so, the number of such projects alongwith the extent of time by which these are running behind schedule;

(c) whether any stretegy have been formulated to ensure implementation of such projects in a time bound period without any cost escalation; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO.3739 BY YOGI ADITYA NATH AND S/SHRI Y.G. MAHAJAN, UDAY SINGH AND KAILASH MEGHWAL TO BE ASWERED IN LOK SABHA ON 23.12.2004 REGARDING COST ESCALATION IN RAILWAY PROJECTS.

(a) & (b) : Ongoing railway projects are progressing as per the availability of funds on year to year basis. Ongoing railway projects may undergo cost escalation on account of various reasons like change in the standards of construction & technology, scope of work, inflation, etc. Due to heavy throwforward and limited availability of funds, most of the projects which remain incomplete, have undergone escalation in cost with time. In the absence of assured matching funds at the time of taking up of a project, time and cost overrun are not feasible to be evaluated.

(c) & (d): Efforts are being made to generate non-budgetary resources to expedite completion of the ongoing projects. A number of initiatives have been taken for getting additional resources through Public/Private Partnership, cost sharing with State Governments, funding through Ministry of Defence, National Rail Vikas Yojana and National Project of Udhampur-Srinagar-Baramulla new line to be funded as an additionality to the normal railway's plan. Remote Area Rail Sampark Yojana has also been announced in the interim Budget 2004-05 which envisages investment of Rs.20,000 crore in five years on new line and gauge conversion projects taken up primarily on socio-economic considerations. Funds for the Yojna are however, yet to be tied up. With all these initiatives, the ongoing projects are expected to be completed within a period of about five years.